

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Norfolk Division**

RSL SENIOR PARTNERS LLC,)
derivatively and on behalf of LIBERTY)
TAX, INC.,)

Plaintiff,)

v.)

Case No. 2:18-cv-127

EDWARD L. BRUNOT, JOHN T.)
HEWITT, KATHLEEN E. DONOVAN,)
GORDON D'ANGELO, JOHN)
GAREL, THOMAS HERSKOVITS,)
ROBERT M. HOWARD, ROSS N.)
LONGFIELD, STEVEN IBBOTSON,)
ELLEN M. MCDOWELL, NICOLE)
OSSENFORT, GEORGE ROBSON,)
and JOHN SEAL,)

Defendants,)

and)

LIBERTY TAX, INC.,)

Nominal Defendant.)

ORDER APPROVING SETTLEMENT AND \$295,000 IN ATTORNEYS' FEES

RSL Senior Partners LLC ("Plaintiff") now move the Court, Doc. 105, to approve the Plaintiff's unopposed application for attorney's fees. The parties to the above-captioned shareholder derivative action have agreed that all of Plaintiff's claims will be settled as part of the settlement of a related case in Delaware Court of Chancery, captioned In re Liberty Tax, Inc. Stockholder Litigation, C.A. No. 2017-0883-AGB ("Delaware Action"), through the Delaware Court of Chancery's approval of the Stipulation and Agreement of Settlement and Release entered

into by the parties to the Delaware Action, filed in this action as Doc. 106-1, ("Stipulation") (All documents in this order refer to the number assigned in this action).

Pursuant to Federal Rule of Civil Procedure 23.1(c), the Court held a hearing on September 11, 2019, at 11:00 A.M to approve the terms of settlement in the instant action and the award of attorney's fees. In contemplation of the hearing on September 11, 2019, the parties issued shareholder notice, Doc 105-4, ("Notice of Settlement") in the Delaware Action which the Court **FINDS** meets the requirements of Rule 23.1(c). The Court **FINDS** the shareholder notice to be adequate and in compliance with the requirements of Rule 23.1(c) as it incorporates this action by reference.

In connection with the settlement of the instant action, Liberty Tax Inc.'s insurer agreed to pay \$295,000 in attorneys' fees and expenses to Plaintiff's counsel in recognition that the filing, pendency, and settlement of the instant action was a substantial contributing factor in Liberty Tax Inc.'s decision to adopt outlined corporate governance reforms. Doc. 105-3, ¶ 2. The Court **FINDS** the Terms of Settlement, Doc. 105-3, fairly, adequately, and properly resolve all the claims made in this litigation. The Court **FURTHER AWARDS** Plaintiff's attorneys the reasonable sum of \$295,000 in fees and expenses, including a \$2,000 case contribution award. The award is fair and reasonable given the substantial benefits that the corporate reforms will confer on the corporation, plaintiff, and all shareholders.

It is **ORDERED**, that Plaintiff's Motion is **GRANTED**, and it is **ORDERED**, that pursuant to Federal Rule of Civil Procedure 23.1(c), the Court **APPROVES** the settlement ordered in the Delaware Action which incorporates the Plaintiff's claims in this action and **APPROVES** the \$295,000 in attorney's fees and expenses that Defendants' insurer agreed to pay Plaintiff's counsel, including the case contribution award of \$2,000 to Plaintiff. Accordingly, this matter is now **DISMISSED WITH PREJUDICE**.

No costs were awarded to either party.

The Clerk is **REQUESTED** to deliver electronically a copy of this Order to all counsel of record.

IT IS SO ORDERED.

/s/

Henry Coke Morgan, Jr.
Senior United States District Judge

HENRY COKE MORGAN, JR. 
SENIOR UNITED STATES DISTRICT JUDGE

Norfolk, Virginia

ENTERED: This 12th day of September 2019